

EXHIBIT C

Schnader
ATTORNEYS AT LAW

1600 MARKET STREET SUITE 2500
PHILADELPHIA, PA 19103-7213
215.751.2000 FAX 215.751.2205 schnader.com

January 7, 2003

BARRY E. BRESSLER
Direct Dial 215-751-2050
Direct Fax 215-751-2205
Internet Address: bbressler@schnader.com

VIA FACSIMILE #312-621-1750

Scott N. Schreiber, Esquire
Much Shelist Freed Denenberg Ament & Rubenstein
200 North LaSalle Street, Suite 2100
Chicago, IL 60601



Re: In re: Coram Healthcare Corp., Debtor
/Daniel D. Crowley

Dear Mr. Schreiber:

Per our additional discussions, Arlin M. Adams, the Chapter 11 Trustee for Coram Healthcare Corporation ("Coram") and Daniel D. Crowley ("Dan") have entered into a letter agreement (the "Transition Agreement") for terminating Dan's prior Employment Agreement and extending his employment. The Transition Agreement will be submitted to the Bankruptcy Court for approval.

This letter will serve to reflect the intent as to an additional settlement agreement ("Settlement Agreement") to be entered into between the Trustee and Dan, subject to a formal agreement being drawn and subject, of course, to approval of the Bankruptcy Court. The Settlement Agreement is being negotiated and finalized in connection with the Transition Agreement, and will include the following terms:

1. All of Dan's contractual and employment claims for performance bonuses, KERF, MIP, and otherwise, including any and all claims under his old Employment Agreement, not dealt with in the Transition Agreement, will be compromised and satisfied by an additional payment, upon final Plan confirmation, of \$2,000,000 and the exchange of releases provided below.

2. Dan will release the Trustee and Debtors from any further claims as part of the Plan and the Trustee and Debtors will in turn release Dan from all proposed derivative claims and any other claims arising out of or related to such proposed derivative claims that the Trustee.

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PHDATA: L06832122
CH-11 TRUSTEE

Trustee 2003

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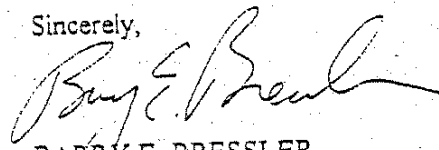
Scott N. Schreiber, Esq.
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Page 2

Coram, any subsidiaries, or any committees or entities claiming through them, may have against Dan, to the fullest extent approved by the Bankruptcy Court.

3. The parties contemplate that the formal agreement reflecting the above will be finalized by January 31, 2003, and will be presented to the Bankruptcy Court for approval thereafter, but in any event before a Plan to be proposed by the Trustee on or before February 28, 2003.

4. If the Bankruptcy Court fails to approve the Settlement Agreement, all of the undertakings of the parties will be void and the parties will return to their previous positions, retaining all claims which exist and all defenses thereto. The parties will only be legally bound upon approval of the formal agreement by the Bankruptcy Court.

Sincerely,



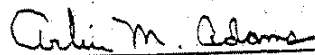
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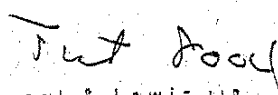
cc: Arlin M. Adams, Chapter 11 Trustee
Mr. Daniel D. Crowley

The Terms and Conditions above are hereby agreed to:

DANIEL D. CROWLEY

ARLIN M. ADAMS, CHAPTER 11 TRUSTEE




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ATTORNEYS AT LAW

1600 MARKET STREET SUITE 3500
PHILADELPHIA, PA 19103-7213
215.751.2000 FAX 215.751.2205 schnader.com

Barry E. Bressler, Esq.
215-751-2050
Fax 215-751-2205

TELECOPIER TRANSMISSION COVER SHEET

January 7, 2003

SEND TO: Scott N. Schreiber Esquire
COMPANY: Much Shelist
FAX #: (312) 621-1750
PHONE #: (312) 621-1485

FROM: Barry E. Bressler, Esq.
CLIENT #: 3002511/0001
ATTY#: 01296
RE: Coram

NUMBER OF PAGES INCLUDING COVER PAGE: 3

COMMENTS:

CH-11 TRUSTEE
006523

IF THERE IS A PROBLEM, CALL: 215-751-2051

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